

ILLINOIS DEPARTMENT OF REVENUE  
1500 South Ninth Street  
Springfield, Illinois 62708

INFORMATIONAL BULLETIN FY82-18

SUBJECT: Home Rule Taxes

The Constitution of the State of Illinois provides "Home Rule" authority for cities and counties in certain population categories to levy sales and excise taxes on specific types of retail sales made to purchasers by sellers located within the respective city or county corporate limits. Governing bodies of Chicago, Danville, Rockford and Rosemont have enacted ordinances levying taxes respectively on general sales, sales of food and beverage, gasoline and liquor.

The "Home Rule" sales and excise taxes collected by retail sellers should not be remitted to the Department of Revenue on the RR-1-A sales tax returns. This tax should be reported and paid directly to the city or county authorities levying the tax. Receipts from "Home Rule" sales and excise taxes are not subject to State, Local and Mass Transit District sales and service taxes.

Following is the proper method to be used in reporting the credit to be allowed in the computation of tax due and reported on the RR-1-A return:

1. Enter in item 1, pages 2 and 4, gross receipts, including "Home Rule" taxes collected.
2. Deduct the "Home Rule" tax amount on a related pre-printed deduction line in the area of items 2(a) through 2(j). "Home Rule" cigarette and gasoline taxes should be included in the deductions reported in items 2(d) and 2(e), respectively. All other exempt "Home Rule" taxes must be identified and deducted either on lines 2(k) or 2(1).

J. Thomas Johnson  
Director

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